

WASHINGTON STATE DEPARTMENT OF REVENUE



NEWS

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Vancouver Auto Dealer Pleads Guilty to Evading Sales Taxes, Filing False Tax Returns

Vancouver, Wash., October 18, 2006 – A Vancouver auto dealership was sentenced today after pleading guilty to first degree theft of sales tax and 18 counts of filing false or fraudulent tax returns.

Alan Webb, owner of Rex Motors, Incorporated in Vancouver, Washington entered the guilty pleas on behalf of the corporation. Clark County Superior Court Judge John F. Nichols ordered the corporation to pay the Washington State Department of Revenue \$243,121 in restitution, including unremitted taxes, fees, penalties and assessments, plus a \$200,500 fine for penalties and assessments.

The charges were brought last month by the Criminal Justice Division of the Attorney General's Office at the request of the Washington State Department of Revenue.

According to charging papers, Rex Motors, Incorporated, claimed out-of-state sales of vehicles by forging customer signatures on delivery certificates from December 2002 through December 2005. Delivery certificates require signatures of both the customer and an employee of the dealership. A Department audit discovered the scheme to avoid paying Washington's taxes by falsifying monthly tax returns between August 2004 and January 2006, including unlawfully taking a business and occupation (B&O) tax deduction for out-of-state sales. Once the scheme was discovered and the judicial process began, it compelled the dealership to provide the Department with access to its files, and Mr. Webb cooperated with the audit.

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